

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2160

Title: Waltham Forest site acquisition and demolition works

Executive Summary:

MD1627 approved the business case for the acquisition of additional sites in the Blackhorse Road Housing Zone, London Borough of Waltham Forest, to deliver comprehensive regeneration. This MD seeks approval from the Mayor for expenditure to purchase these sites.

Additionally, this MD seeks approval for expenditure relating to the costs of ongoing management of the Webbs Industrial Site that sits within this Housing Zone, as well as costs relating to the future disposal of the site for redevelopment using the London Development Panel (LDP).

Decision:

That the Mayor approves:

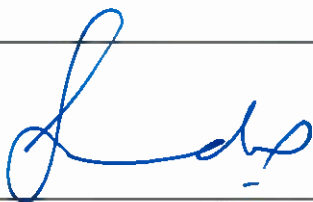
- The proposed acquisition of sites within the Waltham Forest Housing Zone for redevelopment, in line with the costings outlined at paragraph 1.7 of part 2 of this form;
- Expenditure of up to £362,700 for demolition and clearance of all building structures on the Webbs Industrial site;
- Expenditure of up to £21,000 for full replacement of the existing hoardings to the Webbs Industrial site, including corporate GLA Homes for Londoners branding;
- Expenditure of up to £58,000 for the appointment of legal advisors to undertake due diligence in relation to the appointment of a Development Partner for the Webbs site; and
- A budget of up to £13,000 for fees to undertake the final financial options appraisals and further valuation of the Webbs site in preparation for disposal.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

18/7/12

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 Housing Zones were launched in June 2014 to boost housing supply in London through a range of measures to unlock and accelerate housing delivery across London. In 2016, the Mayor initiated a review of the 30 Housing Zones across London to look at ways in which the levels of affordable housing could be increased, the process be streamlined for London boroughs, and the pace of progress be increased. The sites which are the subject of this report are within the Waltham Forest Housing Zone.
- 1.2 Although the London Borough of Waltham Forest (LBWF) has recently seen some of the highest rises in house prices in London, development interest in the Blackhorse Road area has initially been slow. However, there has recently been renewed interest and an increase in the number of planning applications being brought forward for sites in the area.
- 1.3 LBWF bid for a total of £19.895m of funding to deliver the housing-led regeneration of the Blackhorse Lane and Northern Olympic Fringe areas. The aim of the Zone is to create two villages connected by the Lee Valley Regional Park through targeted interventions. These interventions are being funded through the Housing Zone designation, in the form of repayable loan and non-repayable grant and assistance from the GLA, while working with Transport for London (TfL) to release land near the station hub.
- 1.4 The LBWF bid also proposed the acquisition of the Webbs Industrial site (Webbs site) and other nearby premises to enable a comprehensive mixed used residential led redevelopment, and following discussions it was agreed that GLAP purchasing the site(s) was the most appropriate way forward.
- 1.5 On the 17th March 2016, the Mayor approved MD1627, which set out the proposal for the GLAP to acquire the Webbs Industrial site and further adjacent sites within the Housing Zone, for disposal and redevelopment via the London Development Panel (LDP). The Webbs site was acquired in July 2016 and the procurement of a development partner commenced in mid-April with a target to announce the successful bidder in September 2017.
- 1.6 The acquisition of this land to enable a comprehensive development will allow the delivery of circa 300 homes, maker workspace and a new green link through the site.
- 1.7 This Mayoral Decision seeks approval of expenditure to take forward negotiations with existing landowners in the Blackhorse Lane area with a view to acquiring the legal interests in these properties. The sites once acquired will be included within GLAP's estate management portfolio. Further details on the proposed acquisitions are set out in part 2 of this report.

Webbs Site Clearance/Hoarding Renewal

- 1.8 Following the acquisition of the Webbs site, a review of the security and safety of the site has been undertaken by GVA (the GLA's framework consultants).
- 1.9 GVA has advised that the condition of a number of the buildings on the site is of concern and at least one party wall is in imminent danger of collapse, and it is therefore in the best interest of the GLAP to undertake urgent demolition. The benefit of providing a cleared site is to make it more attractive for a prospective LDP developer and potentially speed up development of the site.
- 1.10 GVA has provided a quote of £362,700 for full demolition and clearance of all existing buildings on the site (with the exception of the live sub-station) down to ground floor slab level, and for the

removal of all fuel containers on the site. GVA advises that once the works are tendered they will be able to negotiate a price with the successful tenderer in line with the quote. The anticipated timescale for demolition upon instruction of the works is up to nine months, assuming that there are no significant unforeseen issues, and up to 12 months if there are unforeseen issues arising (for example, a re-occurrence of Japanese Knotweed).

- 1.11 The existing hoarding to the site has been in place for some time and is in a poor state of repair with the need for reinforcement to prevent forced entry to the site. The hoarding does not give a good perception of the site and complaints have been received from local residents about its condition. It is proposed that the hoarding is replaced in its entirety and that GLA in partnership with the Borough brand the hoarding to reflect our joint aspirations for the regeneration of the area.
- 1.12 GVA has obtained a series of quotes of up to £21,000 for the full replacement of the existing hoardings. Such hoardings will include Homes for Londoners corporate branding and discussions will be held with the Borough to agree the graphics that should be incorporated on the hoardings to reflect the on-going regeneration of the area. It is anticipated that along with the management of the site that these hoardings will be managed by the development partner post contract.

Disposal of the Webbs site via the London Development Panel

- 1.13 This Mayoral Decision seeks approval to expend up to £58,000 to commission legal advice on the preparation of the mini-competition documentation and preparation of the legal agreements to be contracted with the selected developer. This budget is based on quotes received via TfL's Legal Framework in accordance with the terms of the framework rates. Provision was made in the Mayor's 2017/18 budget to fund the necessary resources to secure a development partner to deliver the Webbs scheme.
- 1.14 It is proposed that the legal advisor is appointed through TfL's standard framework process immediately, with the commission lasting until at least November 2017 when the contract to develop the site will be let.
- 1.15 As part of the initial scoping process, GL Hearn was commissioned through TfL's Property Framework to undertake a series of financial appraisals to scenario test land values depending on the level of affordable housing that could be delivered on this site. The valuations have been used to inform the GLA's proposal to deliver a scheme of 100% affordable housing on the site. Further valuation of the site will be needed in order to meet the GLA's obligations under Section 333z (c) of the Localism Act (the GLA is required to ensure that any disposal of land is not at less than best consideration, by virtue of section 333ZC of the GLA Act), and a total budget of up to £13,000 is sought to undertake this work.

2. Objectives and expected outcomes

- 2.1 The acquisition of the sites in Sutherland Road, alongside the Webbs site and their release for development for new homes, employment and artisan/commercial uses will lead to the comprehensive regeneration of the area. The non-financial expected outcomes will be the removal of bad neighbour uses, an improvement in the environment and an overall transformation in perceptions of the area.
- 2.2 The demolition of the existing structures on the Webbs site should speed up the development process at the same time as the procurement of a development partner for the site takes place.
- 2.3 Updated, improved and branded hoardings for the site will showcase the work of the GLA in regenerating the area, and show that the GLA is actively working with its partners to create a new and dynamic place for people to live and work

3. Equality comments

- 3.1 The Mayor is due to release a draft Housing Strategy, which will include an Equality Impact Assessment, for a three-month consultation in September 2017.
- 3.2 The Mayor's Vision for a Diverse and Inclusive City was issued as a consultation draft in June 2017. The first chapter of this document is entitled a Great Place to Live and Priority outcome 1.1 refers to the delivery of affordable, accessible, decent homes. This scheme will ultimately deliver affordable homes on the Mayor's land.

4. Other considerations

- 4.1 Following a previous unauthorised occupation experienced on the Webbs site there is a risk that occupation may occur prior to the site being transferred to the developer. Allowances have been made in the requested budget to secure the sites and to maintain regular visual security checks on the sites.
- 4.2 Should the contracting of the disposal of the site via the LDP not take place by November 2017, the work on the LDP procurement will be abortive and the site will need to be tendered under LDP2.

5. Financial comments

- 5.1 The Decision is seeking approval for the acquisition of three sites located in the London Borough of Waltham Forest and approval for a budget to acquire the sites. The acquisitions will be funded from the Housing Zone budget.
- 5.2 This Decision also requests approval for revenue expenditure totalling £454,700 to cover various costs within Webbs Industrial Site. Approval is also sought for the purchase of sites within the Waltham Forest Housing Zone (see part 2 for comments).
- 5.3 Revenue costs will be expended on:
 - i. Demolition and clearance of all building structures (£362,700 in 2018/19)
 - ii. Full replacement of the existing hoardings, including corporate GLA Homes for Londoners branding (21,000 in 2017/18)
 - iii. Legal advisor, undertaking due diligence, to appoint Development Partner (£58,000 in 2017/18)
 - iv. Undertaking financial options appraisals and valuation for the disposal (£13,000 in 2017/18)
- 5.4 This expenditure will be funded from the Blackhorse Road Acquisitions budget within the wider Housing & Land Programme budget and will be expended across both the 2017/18 and 2018/19 financial years as noted above. Confirmation of the future year funding for Demolition works will be subject to the finalisation and sign-off of the 2018/19 Revenue Budget by the Mayor.

6. Legal comments

6.1 Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA as set out in section 30(2) which are:

- i. Promoting economic development and wealth creation in Greater London;
- ii. Promoting social development in Greater London; and
- iii. Promoting the improvement of the environment in Greater London

and, in formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
- consider how the proposals will promote the improvement of health of persons in Greater London, promote the reduction of health inequalities between persons living in Greater London, contribute towards the achievement of sustainable development in the United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and
- consult with appropriate bodies.

6.2 Sections 1 and 2 of this report indicate that the Mayor has the power to proceed to make the decisions as requested within this report.

7. Planned delivery approach and next steps

7.1 The next steps following approval of this decision are summarised below. The timescales are based on estimates and are subject to negotiations with the vendors of the sites.

Activity	Timeline
Mayoral Decision	Q2 2017/18
Procurement of a Legal Advisors from TfL's Framework to carry out due diligence	Q2 2017/18
Commissioning of GL Hearn to undertake appraisals	Q2 2017/18
Appointment of valuer	Q2 2017/18
Commencement of Webbs site demolition	Q2 2017/18
Offers accepted for site purchases	Q3 2017/18
Heads of Terms Agreed for site purchases	Q4 2017/18
Completion of Webbs site demolition	Q2 2018/19
Purchase of sites	Q2 2018/19

Appendices and supporting papers:

Appendix 1 – RESERVED

Appendix 2 – RESERVED

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

Until what date: N/A

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer
to confirm the
following (✓)

Drafting officer:

Michael Atkins has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

James Murray has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on the 17 July 2017

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. D. Allen

Date

17.7.17

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

17/7/2017